



Medical Device Trade Mission to Panama, Guatemala, and Honduras

July 13–19, 2003

Mission Statement

Description

The Office of Microelectronics, Medical Equipment and Instrumentation will lead a medical device trade mission to Panama City, Panama; Guatemala City, Guatemala; and Tegucigalpa, Honduras, July 13–19, 2003. The mission will include representatives from a variety of U.S. medical device firms, including firms from the related dental and clinical laboratory industries, interested in entering or expanding activities in these countries. The mission will focus on refurbished equipment, but will also be open to firms offering new devices and replacement parts. The participation fee is \$2,200.

Commercial Setting

Panama

In Panama, the public sector is the primary end user of medical equipment. It is divided into two segments: the Ministry of Health System and the Social Security System. The United States supplies about 80 percent of Panama's medical equipment. U.S. medical device exports to Panama totaled \$17.4 million in 2001. There are market opportunities for used/refurbished medical equipment, especially in small hospitals and private hospitals in the interior of the country. The main distributors of new equipment are interested in distributing used/refurbished equipment for small clinics and hospitals across the country. There are no restrictions for importing or selling refurbished equipment in Panama. By law, however, the public-sector health facilities cannot purchase used or refurbished equipment. There are no regulations, technical or safety standards applicable to medical equipment in Panama. U.S. and other international standards are accepted.

Guatemala

Guatemala is half way through its 2000–2004 National Health Plan. This plan focuses on the most neglected sectors, including comprehensive family health and basic health services. Guatemala spends 4.4 percent of its GDP on health-care, about \$168 per person. Imports of medical equipment from the United States totaled \$12.3 million in 2001. Refurbished medical equipment is well accepted, especially in the private health-care system. In the late 1990s, refurbished and used equipment accounted for about 20 percent of medical device imports. About 90 percent of this equipment was bought directly in the United States, by physicians operating small clinics, or *sanatorios*. Most firms selling into the Guatemalan market do so by means of a Guatemalan agent or distributor. However, used equipment dealers tend to sell directly to Guatemalan buyers. Generally speaking, the more pre-sales marketing and after-sales support and service that a product requires, the more important it is to have a local agent or distributor.

Honduras

Honduras' new government, which took office in January 2002, has assigned a high priority to the improvement of the national public health system. Import taxes for medical equipment have been sharply lowered and are generally now under one percent. The Honduran medical sector is divided between the public sector and private sector. Of the approximately 103 hospitals in the country, about 34 percent are public entities and 66 percent are private. The private medical sector is modernizing and expanding through investments in new and used medical equipment. A number of new clinics have opened in recent years, and several established hospitals are in the

process of expanding their facilities. In the public sector, however, a lack of funds has hindered similar modernization. To help overcome this problem, the government is planning to modify its rule barring public health facilities from purchasing used or refurbished medical equipment as long as such equipment is accompanied by a warranty of at least six months. Used and refurbished medical equipment accounts for about ten percent of the country's medical equipment imports. The bulk of the pre-owned equipment comes from the United States. In 2001, Honduras imported \$8.6 million of medical devices (new and refurbished) from the United States.

Mission Goals

The objective of this trade mission is to expand the market in Central America for U.S. medical equipment, including equipment from the related dental and clinical laboratory industries. The mission will focus on refurbished equipment, but will also be open to firms offering new equipment and replacement parts. This will be accomplished by introducing U.S. companies to government officials responsible for medical regulations and healthcare, public and private hospital buying agents, and other potential business partners.

Mission Scenario

Trade Mission delegates will visit three countries: Panama, Guatemala, and Honduras. Prior to the mission, participating companies will send to the U.S. Commercial Service post in each country approximately 15 information packets about their firms (including company literature, marketing materials, and—for vendors of pre-owned equipment—letters of reference). These packets will be forwarded to potential business partners in the mission countries to aid in the scheduling of appropriate one-on-one appointments for the U.S. participants. At each stop, the local U.S. Commercial Service post will provide mission delegates a market briefing highlighting opportunities in the medical device sector and give each delegate a schedule of one-on-one appointments with potential business partners. Through group events, site visits, and the one-on-one meetings tailored to each firm's interests, U.S. firms par-

ticipating in the trade mission will be introduced to potential agents/ distributors, hospital administrators, and purchasing managers for medical facilities.

Timetable

Recruitment will begin in January 2003 and should be concluded no later than May 16, 2003. Applications received after that date will be considered only if space and scheduling constraints permit. A tentative schedule for the trade mission is given below.

The trade mission is tentatively scheduled to commence in Panama City, Panama, on July 13, 2003, continue on to Tegucigalpa, Honduras, and then to Guatemala City, Guatemala, where the mission program will conclude on July 19. The precise schedule will depend on the availability of government and business officials, specific goals of mission participants, and air travel schedules.

Participation Fees

The participation fee for a company's first representative on the trade mission is \$2,200. Companies may send additional representatives on the trade mission for \$500 each.

Criteria for Participant Selection

For all applicants:

- Diversity of product mix among participating companies, and the product's relevance to mission goals.
- Business opportunities for the company in countries to be visited.
- Maximum of 17 and a desired minimum of ten participating companies.
- Timeliness of the submission of the completed application and participation agreement, including payment of applicable participation fees.
- Provision of descriptive information on the company's background, business goals, and products/services sufficiently in advance of the mission to facilitate the preparation of trade mission brochures and the matching of

the company with appropriate potential business partners.

For vendors of pre-owned devices:

- Provision of two letters of reference from past customers.
- Ability to sell from their own stock, provide service, and offer warranties.

Mission recruitment will be conducted in an open and public manner, including publication in the *Federal Register*, posting on the Commerce Department trade missions calendar—www.ita.doc.gov/doctm/tmcal.html—and other Internet websites, press releases to the general and trade media, direct mail and broadcast fax, notices by industry trade associations and other multiplier groups, and at industry meetings, symposiums, conferences, and trade shows.

Firms attempting to market goods and services on the Mission must certify that these goods and services will be either:

- a) Manufactured or produced in the United States; or
- b) If manufactured or produced outside the United States, be marketed under the name of a U.S. firm and have U.S. content representing at least 51 percent of the value of the finished good or service.

Any partisan political activities (including political contributions) of an applicant are irrelevant to the selection process.

Contact

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Tentative Mission Schedule

Sunday, July 13	
Morning	Depart United States
Afternoon/Evening	Arrive in Panama City, Panama
Monday, July 14	
7:30 AM–8:30 AM	Breakfast Briefing by Embassy Team
8:30 AM–12:00 Noon	One-on-One Appointments
12:00 Noon–1:00 PM	Lunch
1:00 PM–5:00 PM	One-on-One Appointments
7:00 PM–9:00 PM	Reception at Ambassador’s Residence
Tuesday, July 15	
Morning	Depart Panama City and travel to Tegucigalpa, Honduras
3:00 PM –4:00 PM	Briefing by Embassy Team
Wednesday, July 16	
8:00 AM –12:00 AM	One-on-One appointments
12:00 Noon–1:00 PM	Lunch
1:00 PM –5:00 PM	One-on-One appointments
7:00 PM –9:00 PM	Reception at Ambassador’s Residence
Thursday, July 17	
Morning	Depart Tegucigalpa and travel to Guatemala City, Guatemala
3:00 PM –4:00 PM	Briefing by Embassy Team
Friday, July 18	
8:00 AM –12:00 AM	One-on-One appointments
12:00 Noon–1:00 PM	Lunch
1:00 PM –5:00 PM	One-on-One appointments
7:00 PM –9:00 PM	Reception at Ambassador’s Residence
Saturday, July 19	
At convenience of participants	Depart Guatemala City for the United States